



1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Uncollected State Claims Act is amended by  
5 changing Section 2 as follows:

6 (30 ILCS 205/2) (from Ch. 15, par. 102)

7 Sec. 2. (a) When any State agency is unable to collect any  
8 claim or account receivable of \$1,000 or more due the agency  
9 after having pursued the procedure prescribed by law or  
10 applicable rules and regulations for the collection thereof or,  
11 if no procedure is so prescribed, then after having undertaken  
12 all reasonable and appropriate procedures available to the  
13 agency to effectuate collection, the State agency shall request  
14 the Attorney General to certify the claim or account receivable  
15 to be uncollectible.

16 (b) Each request to the Attorney General asking that a  
17 claim or account receivable of \$1,000 or more be declared  
18 uncollectible shall be in a format prescribed by the Attorney  
19 General and shall include at a minimum the following  
20 information: debtor's name, debtor's social security number or  
21 comparable identifying number, debtor's last known address,  
22 nature of the debt, efforts made to collect the debt and the  
23 time period covered by those efforts, the age of the debt, the

1 age of the debtor and the specific reason the State agency  
2 believes the debt to be uncollectible. Nothing in this  
3 provision should be interpreted as a limitation on the  
4 authority of the Attorney General to require additional  
5 information that he may find to be necessary to evaluate  
6 requests sent him pursuant to this provision.

7 (c) Claims or accounts receivable of less than \$1,000 may  
8 be certified as uncollectible by the agency when the agency  
9 determines that further collection efforts are not in the best  
10 economic interest of the State. Such determination shall be  
11 made in accordance with rules of the Comptroller.

12 (d) If any item of information required by this provision  
13 or any item of additional information required by the Attorney  
14 General is not available, the State agency shall specifically  
15 so state in its request to the Attorney General asking that the  
16 debt be declared uncollectible.

17 (e) A State agency participating in a federal student loan  
18 program may remove student loans from its records by assigning  
19 or referring such student loans to the federal government for  
20 collection pursuant to the procedures prescribed by federal  
21 laws and regulations.

22 (f) Claims and receivables due from another State agency  
23 may be written off if the agency has pursued all reasonable  
24 means of collection and if the amount (1) is payable from an  
25 appropriation which has lapsed; (2) may not properly be charged  
26 against a current appropriation; and (3) was not originally

1 payable from federal funds, a trust fund or locally held funds.  
2 Each agency which writes off claims or receivables pursuant to  
3 this subparagraph shall submit a listing of all such write-offs  
4 to the Comptroller within 60 days of taking such action.

5 (g) Debts certified as uncollectible may be reopened for  
6 collection by an agency upon the approval of the Attorney  
7 General.

8 (h) Agencies shall submit a list of debts certified as  
9 uncollectible to the Comptroller in the form and manner  
10 specified by the Comptroller. The Comptroller shall take  
11 reasonable steps to accept information on agency computer  
12 tapes.

13 (i) After compliance with all provisions of this Section,  
14 an agency may delete from its records debts certified as  
15 uncollectible as follows:

16 (1) When the debt is less than \$1,000, immediately upon  
17 certification by the agency;

18 (2) For debts of \$1,000 or more that are less than 5  
19 years old, when the agency determines pursuant to rules and  
20 regulations promulgated by the Comptroller that such  
21 deletion is in the best economic interest of the State;

22 (3) For debts of \$1,000 or more, ~~when~~ the debt is more  
23 than 5 years old or, in the case of a public university,  
24 more than 8 years old.

25 (j) The Attorney General shall report to the General  
26 Assembly by February 1 of each year the following:

1           (1) the total number and dollar amount of debts  
2 referred to him for collection in the preceding calendar  
3 year;

4           (2) the total amount actually collected;

5           (3) the number of cases by agency.

6           (k) Each State agency shall report in its annual report the  
7 total amount and the number of claims due and payable to the  
8 State. Each agency shall also describe in its annual report the  
9 method used in collecting debts, whether by a private  
10 collection service or by the Attorney General.

11           (1) The provisions of Section 2505-250 of the Department of  
12 Revenue Law (20 ILCS 2505/2505-250) take precedence over the  
13 provisions of this Section.

14           (Source: P.A. 91-239, eff. 1-1-00.)

15           Section 10. The Illinois State Collection Act of 1986 is  
16 amended by renumbering and changing Section 9 added by Public  
17 Act 96-1383 and Section 9 added by Public Act 96-1435 as  
18 follows:

19           (30 ILCS 210/10.1)

20           Sec. 10.1 ~~9~~. Collection agency fees. Except where  
21 prohibited by federal law or regulation, in the case of any  
22 liability referred to a collection agency on or after July 1,  
23 2010, any fee charged to the State by the collection agency (i)  
24 may not exceed 25% for a first placement of the underlying

1 liability referred to the collection agency unless the  
2 liability is for a tax debt, (ii) is considered an additional  
3 liability owed to the State, (iii) is immediately subject to  
4 all collection procedures applicable to the liability referred  
5 to the collection agency, and (iv) must be separately stated in  
6 any statement or notice of the liability issued by the  
7 collection agency to the debtor. The fee limitations of this  
8 Section do not apply to a second, third, or subsequent  
9 placement or to litigation activities.

10 (Source: P.A. 96-1383, eff. 1-1-11; revised 9-7-10.)

11 (30 ILCS 210/10.2)

12 Sec. 10.2 ~~9~~. Deferral and compromise of past due debt.

13 (a) In this Section, "past due debt" means any debt owed to  
14 the State that has been outstanding for more than 12 months.  
15 "Past due debt" does not include any debt if any of the actions  
16 required under this Section would violate federal law or  
17 regulation.

18 (b) State agencies may enter into a deferred payment plan  
19 for the purpose of satisfying a past due debt. The deferred  
20 payment plan must meet the following requirements:

21 (1) The term of the deferred payment plan may not  
22 exceed 2 years.

23 (2) The first payment of the deferred payment plan must  
24 be at least 10% of the total amount due.

25 (3) All subsequent monthly payments for the deferred

1 payment plan must be assessed as equal monthly principal  
2 payments, together with interest.

3 (4) The deferred payment plan must include interest at  
4 a rate that is the same as the interest required under the  
5 State Prompt Payment Act.

6 (5) The deferred payment plan must be approved by the  
7 Secretary or Director of the State agency.

8 (b-5) The requirements of subsection (b) do not apply to a  
9 deferred payment plan entered into by any Illinois public  
10 university, as defined in Section 10 of the Illinois Prepaid  
11 Tuition Act.

12 (c) State agencies may compromise past due debts. Any  
13 action taken by a State agency to compromise a past due debt  
14 must meet the following requirements:

15 (1) The amount of the compromised debt shall be no less  
16 than 80% of the total of the past due debt.

17 (2) Once a past due debt has been compromised, the  
18 debtor must remit to the State agency the total amount of  
19 the compromised debt. However, the State agency may collect  
20 the compromised debt through a payment plan not to exceed 6  
21 months. If the State agency accepts the compromised debt  
22 through a payment plan, then the compromised debt shall be  
23 subject to the same rate of interest as required under the  
24 State Prompt Payment Act.

25 (3) Before a State agency accepts a compromised debt,  
26 the amount of the compromised debt must be approved by the

1 Department of Revenue.

2 (c-5) Illinois public universities, as defined in Section  
3 10 of the Illinois Prepaid Tuition Act, may compromise past due  
4 debt without regard to the requirements set forth in subsection  
5 (c).

6 (d) State agencies may sell a past due debt to one or more  
7 outside private vendors. Sales shall be conducted under rules  
8 adopted by the Department of Revenue using a request for  
9 proposals procedure similar to that procedure under the  
10 Illinois Procurement Code. The outside private vendors shall  
11 remit to the State agency the purchase price for debts sold  
12 under this subsection.

13 (e) The State agency shall deposit all amounts received  
14 under this Section into the General Revenue Fund.

15 (f) This Section does not apply to any tax debt owing to  
16 the Department of Revenue.

17 (Source: P.A. 96-1435, eff. 8-16-10; revised 9-7-10.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.